

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 16206
[REDACTED],	)	
	)	DECISION
Petitioner.	)	
_____	)	

On October 17, 2001, the staff of the Tax Discovery Bureau of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer), proposing income tax, penalty, and interest for the taxable year 1997 in the total amount of \$1,213.

On December 19, 2001, the taxpayer filed a timely appeal and petition for redetermination. The taxpayer did not respond to the Tax Commission's hearing rights letter and has provided nothing further for the Tax Commission to consider. The Tax Commission, having reviewed the file, hereby issues its decision.

The Tax Discovery Bureau (Bureau) obtained information that showed the taxpayer may have had a filing requirement with the state of Idaho for the tax years 1993 through 1999. The Bureau sent the taxpayer a letter asking about his filing requirements but the taxpayer failed to respond. The Bureau determined the taxpayer was required to file Idaho income tax returns, so the Bureau prepared returns for the taxpayer. The Bureau sent the taxpayer a Notice of Deficiency Determination, which the taxpayer protested.

The taxpayer provided Idaho income tax returns for 1994 through 1996, 1998, and 1999 as well as other documentation. The taxpayer stated for 1993 he was a resident of Nevada and for 1997 he had no income. The Bureau reviewed the information and the returns the taxpayer provided and determined the only year lacking sufficient documentation was 1997. The Bureau

requested additional information from the taxpayer, but the taxpayer did not respond. Therefore, the Bureau referred the matter for administrative review.

The Tax Commission sent the taxpayer a letter giving him two options for having the Notice of Deficiency Determination redetermined. The taxpayer did not respond. The Tax Commission sent the taxpayer a follow-up letter, but the taxpayer still did not respond. Therefore, the Tax Commission decided the matter based upon the information available.

The taxpayer provided documentation from the Social Security Administration showing that no income was reported to Social Security for him in 1997. The taxpayer stated this documentation was the only record he could find regarding the year 1997.

However, the Bureau obtained information that in November 1997, the taxpayer purchased a Ford pickup. On his loan application, the taxpayer stated he had a monthly gross salary of \$1,600. The taxpayer also stated he had been with his current employer for one year. Consequently, the Bureau believed the taxpayer had income in 1997 that required him to file an Idaho income tax return.

On the taxpayer's 1998 and 1999 returns, he listed his occupation as a plumber. As such, the taxpayer could have been paid for contract labor or as a subcontractor for various jobs. This type of income does not get reported to the Social Security Administration. Therefore, unless the taxpayer reported this type of income on his federal income tax return, there would be no taxed social security earnings listed for 1997.

The Tax Commission found credence in the loan application the taxpayer completed for the purchase of his pickup. Although the Tax Commission realizes the loan application might be doctored to fit the situation, the statements made on the application were made by the taxpayer.

The taxpayer was given the opportunity to provide additional information to refute the income for 1997 as determined by the Bureau. The taxpayer did not provide any. Consequently, the taxpayer has not met his burden of proof. Albertson's, Inc. v. State, Dept. of Revenue, State Tax Com'n, 106 Idaho 810, 683 P.2d 846 (1984). Therefore, the Tax Commission finds the Bureau's determination of the taxpayer's income for 1997 reasonable.

The Bureau added interest and penalty to the taxpayer's 1997 tax liability. The Tax Commission reviewed those additions and found them appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046.

WHEREFORE, the Notice of Deficiency Determination dated October 17, 2001, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1997	\$790	\$198	\$292	\$1,280

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of taxpayer's right to appeal this decision is enclosed.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2003.

IDAHO STATE TAX COMMISSION

---

COMMISSIONER

### **CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_ day of \_\_\_\_\_, 2003, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]

---